

Senate Study Bill 3020

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON BEHN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the collection of costs associated with
2 residential real estate loans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5625SC 80
5 da/pj/5

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1 1 Section 1. Section 535.8, subsection 2, paragraph b,
1 2 unnumbered paragraph 2, Code 2003, is amended to read as
1 3 follows:
1 4 The lender shall not charge the borrower for the cost of
1 5 revenue stamps or real estate commissions which are paid by
1 6 the seller.
1 7 PARAGRAPH DIVIDED. Collection The collection of any cost
1 8 costs other than as expressly permitted by this lettered
1 9 paragraph "b" is prohibited. However, this paragraph shall
1 10 not apply to prevent a lender from collecting costs permitted
1 11 by federal law or costs required to be incurred by a federally
1 12 chartered corporation or similar government=sponsored
1 13 enterprise such as the federal national mortgage association,
1 14 the federal home loan mortgage association, the government
1 15 national mortgage association, or another secondary market
1 16 investor.

EXPLANATION

1 17
1 18 This bill amends Code section 535.8, which in part
1 19 regulates costs associated with residential real estate loans
1 20 and specifically for real property which is a single=family or
1 21 a two=family dwelling occupied or to be occupied by the
1 22 borrower. Such loans include original loans, the refinancing
1 23 of existing loans, and the assumption of prior loans.
1 24 The Code section lists a number of costs that a lender may
1 25 collect in connection with a loan that must be disclosed to
1 26 the borrower. The collection of other costs is prohibited.
1 27 The bill creates an exception to that prohibition in instances
1 28 in which federal law permits the collection of costs, or costs
1 29 which are required to be incurred by federal instrumentalities
1 30 such as Fannie Mae, Freddie Mac, or Ginnie Mae, or another
1 31 secondary market investor.
1 32 LSB 5625SC 80
1 33 da/pj/5
1 34
1 35